



DEFERRED COMPENSATION ADVISORY COMMITTEE
MINUTES
THURSDAY, JANUARY 25, 2007

Chair Pascal Roubineau called the Deferred Compensation Advisory Committee meeting to order at 9:10 a.m. on Thursday, January 25, 2007, City Hall Tower, T-1446.

Roll Call

Pascal Roubineau, Chair	Employees' Representative
Peter Jensen, Vice Chair	Manager's Representative
Donna Busse	Management Employees' Representative
Trish Glassey	Employees' Representative
Scott P. Johnson	Manager's Representative
Jeff Ricketts	Police Representative
Mark Skeen	Firefighter Representative

Excused Absence

None

Also Present

Dorothy Atchison	Deferred Compensation, Program Manager
Stephanie Padilla	Deferred Compensation, Staff
Han Van	Deferred Compensation, Staff
Jay Castellano	Human Resources, Benefits Manager
David DeLong	Human Resources, Acting Benefits Manager
Susan Devencenzi	Attorney
Bill Tugaw	Consultant, SST Benefits
Adora Gailo	Finance, Accounting
Gary Bozin	ING
Peter Belardinelli	ING
Bruce DeMers	Police & Fire Retirees
Sharon Barbaccia	Participant

APPROVAL OF MINUTES

1. December 21, 2006

M.S.C. (Johnson/Busse) to approve the minutes for the December 21, 2006, as presented with the correction that the motion to adjourn the meeting was made by Mark Skeen, seconded by Trish Glassey.

OLD BUSINESS

2. Appoint Ad-hoc Investment Subcommittee for the 2006 Investment Review

Scott Johnson, Member, advised the Committee that the City Manager's Office has appointed Julia Cooper, Deputy Director, Finance Department – Treasury Division, to replace him on the DCAC effective February. Mr. Johnson recommends Julia is appointed to the Investment Subcommittee as his replacement.

Chair Roubineau appointed Julia Cooper, City Manager's Representative, to the Investment Subcommittee.

NEW BUSINESS

3. Approve Authorizing ING Financial Services to Administer the Unforeseen Emergency Withdrawal Request Program for the 457 Voluntary Plan

M.S.C. (Ricketts/Johnson) to approve the delegation to ING Life Insurance and Annuity Company to administer all Unforeseeable Emergency Withdrawal requests for the City of San Jose Deferred Compensation Plan within the parameters of the Internal Revenue Code Section 457 and similar provisions of the San Jose Municipal Code (S.J.M.C. Chapter 3.48), and in accordance with the ING Authorized Withdrawal Model and Staff Recommendations described in Attachment A.

4. Review Committee Decision Points for Implementing a Loan Provision in the 457 Voluntary Plan

Susan Devencenzi, Attorney, reviewed the 12 decisions points for the Committee and discussion followed.

For the record, the decisions points for consideration:

- | | |
|--|------------------------------------|
| • Type(s) of loans (residential and general) | • Money source withdrawal sequence |
| • Number of loans outstanding at any time | • Spousal consent requirement |
| • Minimum loan amount | • Loan authorization |
| • Loan interest rate | • Loan request notification |
| • Maximum repayment period | • Loan monitoring |
| • Loan repayment frequency | • Loan origination fee |

M.S.C. (Ricketts/Glassey) to carry item to February 22, 2007 DCAC meeting for further clarification and discussion.

ING Action: Presentation at the February 22, 2007 DCAC meeting on the ING loan process, provide examples of loan documents and address decision points as identified by Susan Devencenzi, Attorney.

Staff Action: Provide, for Committee approval, the Amendment to the City ordinance and 457 Plan document to provide for loans once loan details are approved.

5. Discuss Outreach/Education to Employees for Implementing a Loan Provision in the 457 Voluntary Plan

Dave DeLong, Acting Benefits Manager, will work with Staff regarding the announcement to participants depending the outcome of the discussion at the February 22, 2007 DCAC meeting.

M.S.C. (Glassey/Busse) to defer item to February 22, 2007 DCAC meeting.

SUBCOMMITTEE REPORTS/RECOMMENDATIONS**6. Legislative Activities**

Written report presented by Bill Tugaw, SST Benefits.

Discussion followed regarding HR 6111 – Tauscher (R-California), Tax Relief and Health Care Act of 2006, signed by the President 12/19/06. There are six health savings account (HSA) provisions included in the tax bill.

The Committee had originally requested that at the March DCAC meeting, Bill Tugaw, SST Benefits, and ING make a presentation to the Committee regarding the impact of the passing of HR 6111. The Committee agreed to remove this from the March agenda. Mr. Tugaw will report to the Committee once legislation is clarified.

After further discussion, the Committee agreed to agendaize for the March DCAC, the report for the transfer of assets from the 457 Plan to pay for insurance up to \$3,000 per year.

7. Ad Hoc Investment Subcommittee

Bill Tugaw, Consultant, reported that the first meeting of the Investment Subcommittee is scheduled for Thursday, February 22, 2007, at 8:00 a.m., City Hall Tower, T-1446.

Subcommittee Members: Donna Busse, Julia Cooper and Jeff Ricketts

8. Ad-hoc Subcommittee for the DCAC Retreat

Chair Roubineau reported that the Subcommittee met with Staff, January 11, to review the agenda for the retreat and will continue to develop the agenda and report back to the Committee.

Subcommittee Members: Pascal Roubineau, Trish Glassey and Mark Skeen.

INFORMATIONAL ITEMS**9. Declaration of Conflict of Interest Policy/Procedure**

Susan Devencenzi, Attorney, reviewed the proposed Declaration of Conflict of Interest Policy/Procedure which, if adopted, implements Sunshine Public Information Reform No. 9 referred to staff by the City Council for implementation.

10. ING Service Log for December, 2006

Note and file

11. Next Meeting: February 22, 2007 City Hall Tower T-1446, Council Wing, 1st Floor, Conference Room W-120, 9:00 a.m.

PUBLIC COMMENTS

Scott Johnson, Member, announced that this would be his last meeting as the City Manager's Representative and expressed appreciation to the Committee, and consultant for the accomplishment of major work products over the past 12 months, and acknowledged Dorothy, Program Manager, for her professionalism, contributions to the program and the assistance provided to the Committee.

UNFORESEEABLE EMERGENCY WITHDRAWAL

12. None

MEETING ADJOURNED

M.S.C. (Jensen/Johnson) to adjourn the meeting at 11:00 a.m.

Pascal Roubineau, Chair
Deferred Compensation Committee

ATTEST:

Dorothy Atchison, Staff
Deferred Compensation

NOTE: M.S.C. MEANS MOTION SECONDED AND CARRIED, UNLESS OTHERWISE INDICATED, MOTION PASSED UNANIMOUSLY.